

established for the previous grant by submitting a new proposal for TSA funds. The additional grant application will be processed as if it were an initial application.

**Management assistance.** The Area Office will see that each TSA grantee receives management assistance to help achieve a successful program.

(1) TSA employees who will be contacting and assisting families will receive training in packaging single family housing and Rural Rental Housing loans when, or very shortly after, they are hired so that they can work effectively.

(2) TSA employees who will provide counseling, outreach, and other technical and supervisory assistance will receive training on Rural Development policies, procedures, and requirements appropriate to their positions and the type of assistance the grantee will provide at the outset of the grant.

(3) Training will be provided by Rural Development employees and/or outside sources approved by Rural Development when the technical and supervisory assistance involves rural housing programs other than Rural Development programs. Appropriate training of TSA employees should be anticipated during the planning stages of the grant and the reasonable cost of such training included in the budget.

(4) The Area Office, in cooperation with the appropriate Local Office(s), should coordinate the management assistance given to the TSA grantee in a manner which is timely and effective. This will require periodic meetings with the grantee to discuss problems being encountered and offer assistance in solving these problems; to discuss the budget, the effectiveness of the grant, and any other unusual circumstances affecting delivery of the proposed TSA services; to keep the grantee aware of procedural and policy changes, availability of funds, etc.; and to discuss any other matters affecting the availability of housing opportunities for low-income families.

(5) The Area and/or Local Office will advise the grantee of the options available to bring the delinquent borrowers' accounts current and advise the grantee that the appropriate approval authority for any resolution of the delinquent accounts and all other authority currently available to remedy delinquent accounts.

**Grant evaluation, closeout, suspension, and termination.** Grant evaluation will be an ongoing activity performed by both the grantee and Rural Development. The grantee will perform self-evaluations by preparing periodic

project performance reports in accordance with 7 CFR 1944.541. Rural Development will also review all reports prepared and submitted by the grantee in accordance with the grant agreement and 7 CFR part 1944, subpart K.

Within forty-five (45) days after the grant ending date, the grantee will complete closeout procedures as specified in the grant agreement.

The grant can also be terminated before the grant ending date for the causes specified in the grant agreement. No further grant funds will be disbursed when grant suspension or termination procedures have been initiated in accordance with the grant agreement.

#### VII. Agency Contacts

Nica Mathes, Senior Loan Specialist, USDA Rural Development, Single Family Housing Direct Loan Division, Special Programs and New Initiatives Branch, Mail Stop 0783, Room 2206-S, 1400 Independence Avenue SW., Washington, DC 20250-0783, phone: (202) 205-3656 or (202) 720-1474, e-mail: [nica.mathes@usda.gov](mailto:nica.mathes@usda.gov), or FAX: (202) 690-3555.

#### VIII. Other Information

Information about TSA grants and other Rural Development Housing Programs can be obtained at the Rural Development Web site at <http://www.rurdev.usda.gov>. Questions can also be sent by e-mail to [agsec@usda.gov](mailto:agsec@usda.gov).

Dated: May 13, 2005.

**Russell T. Davis,**

*Administrator, Rural Housing Service.*

[FR Doc. 05-10465 Filed 5-24-05; 8:45 am]

**BILLING CODE 3410-XV-P**

## DEPARTMENT OF AGRICULTURE

### Rural Utilities Service

#### Assistance to High Energy Cost Rural Communities

**AGENCY:** Rural Utilities Service, USDA.

**ACTION:** Notice of funding availability (NOFA).

**SUMMARY:** The Rural Utilities Service (RUS) of the United States Department of Agriculture (USDA) announces the availability of \$19.5 million in competitive grants to assist communities with extremely high energy costs. This grant program is authorized under section 19 of the Rural Electrification Act of 1936 (RE Act) (7 U.S.C. 918a) and program regulations at 7 CFR Part 1709. The grant funds may be used to acquire, construct, extend, upgrade, or otherwise improve energy

generation, transmission, or distribution facilities serving communities in which the average residential expenditure for home energy exceeds 275 percent of the national average. Eligible applicants include persons, States, political subdivisions of States, and other entities organized under State law. Federally-recognized Indian tribes and tribal entities are eligible applicants. This notice describes the eligibility and application requirements, the criteria that will be used by RUS to award funding, and information on how to obtain application materials.

**DATES:** All applications must be postmarked or delivered to RUS or through [grants.gov](http://grants.gov) no later than July 25, 2005, to be assured of consideration. Applications will be accepted on publication of this notice.

**ADDRESSES:** Paper applications are to be submitted to the Rural Utilities Service, U.S. Department of Agriculture, 1400 Independence Avenue, SW., STOP 1560, Room 5165 South Building, Washington, DC 20250-1560. Applications should be marked "Attention: High Energy Cost Community Grant Program."

Information on submitting applications electronically is available through <http://www.Grants.gov>. Applicants must successfully pre-register with Grants.gov to use the electronic applications option. Application information may be downloaded from Grants.gov without pre-registration.

#### FOR FURTHER INFORMATION CONTACT:

Karen Larsen, Management Analyst, U.S. Department of Agriculture, Rural Utilities Service, Electric Program, 1400 Independence Avenue, SW., STOP 1560, Room 5165 South Building, Washington, DC 20250-1560. Telephone 202-720-9545, Fax 202-690-0717, e-mail [energy.grants@usda.gov](mailto:energy.grants@usda.gov).

#### SUPPLEMENTARY INFORMATION:

##### Overview Information

**Federal Agency Name:** United States Department of Agriculture, Rural Utilities Service, Assistant Administrator, Electric Program.

**Funding Opportunity Title:** Assistance to High Energy Cost Rural Communities.

**Announcement Type:** Initial announcement.

**Funding Opportunity Number:** USDA-RD-RUS-HECG03-2

**Catalog of Federal Domestic Assistance (CFDA) Number:** 10.859. The CFDA title for this program is "Assistance to High Energy Cost Rural Communities."

*Dates:* Applications must be postmarked or filed with Grants.gov by July 25, 2005.

### I. Funding Opportunity Description

RUS is making available \$19.5 million in competitive grants under section 19 of the Rural Electrification Act of 1936 (the "RE Act") (7 U.S.C. 918a). Under section 19, RUS is authorized to make grants to "acquire, construct, extend, upgrade, and otherwise improve energy generation, transmission, or distribution facilities" serving extremely high energy cost communities. Eligible communities are those in which the average residential expenditure for home energy is at least 275 percent of the national average residential expenditure for home energy under the benchmarks published in this notice. Program regulations are codified at 7 CFR Part 1709.

The purpose of this grant program is to provide financial assistance for a broad range of energy facilities, equipment and related activities to offset the impacts of extremely high residential energy costs on eligible communities. Grant funds may be used to purchase, construct, extend, repair, upgrade and otherwise improve energy generation, transmission, or distribution facilities serving eligible communities. Eligible facilities include on-grid and off-grid renewable energy systems and implementation of cost-effective demand side management and energy conservation programs that benefit eligible communities.

Eligible applicants include for-profit and non-profit businesses, cooperatives, and associations, States, political subdivisions of States, and other entities organized under the laws of States, Indian tribes, tribal entities, and individuals. Eligible applicants also include entities located in U.S. Territories and other areas authorized by law to participate in RUS programs.

No cost sharing or matching funds are required as a condition of eligibility under this grant program. However, RUS will consider other financial resources available to the grantee and any voluntary commitment of matching funds or other contributions in assessing the grantee's capacity to carry out the grant program successfully. RUS will award additional evaluation points to any proposals that include such contributions.

As a further condition of each grant, section 19(b)(2) of the RE Act requires that planning and administrative expenses of the grantee not directly related to the project may not exceed 4 percent of the grant funds.

This NOFA provides an overview of the grant program, and the eligibility and application requirements, and selection criteria for grant proposals. RUS is also making available an Application Guide with more detailed information on application requirements and copies of all required forms and certifications. The Application Guide is available on the Internet from the RUS Web site at <http://www.usda.gov/rus/electric>. The application guide may also be requested from the Agency contact listed in the **FOR FURTHER INFORMATION CONTACT** section of this notice. For additional information, applicants should consult the program regulations at 7 CFR part 1709.

### Definitions

As used in this NOFA:

*Administrator* means the Administrator of the Rural Utilities Service (RUS), United States Department of Agriculture (USDA).

*Agency* means the Rural Utilities Service.

*Application Guide* means the Application Guide prepared by RUS for the High Energy Cost Grant program containing detailed instructions for determining eligibility and preparing grant applications, and copies of required forms, questionnaires, and model certifications.

*Census block* means the smallest geographic entity for which the U.S. Census Bureau collects and tabulates decennial census information and which are defined by boundaries shown on census maps.

*Census designated place (CDP)* means a statistical entity recognized by the U.S. Census Bureau comprising a dense concentration of population that is not within an incorporated place but is locally identified by a name and with boundaries defined on census maps.

*Extremely high energy costs* means community average residential energy costs that are at least 275 percent of one or more home energy cost benchmarks identified by RUS based on the national average residential energy expenditures as reported by the Energy Information Administration (EIA) of the United States Department of Energy.

*Home energy* means any energy source or fuel used by a household for purposes other than transportation, including electricity, natural gas, fuel oil, kerosene, liquefied petroleum gas (propane), other petroleum products, wood and other biomass fuels, coal, wind, and solar energy. Fuels used for subsistence activities in remote rural areas are also included.

*High energy cost benchmarks* means the criteria established by RUS for eligibility as an extremely high energy cost community. Home energy cost benchmarks are calculated for total annual household energy expenditures; total annual expenditures for individual fuels; annual average per unit energy costs for primary home energy sources at 275 percent of the relevant national average household energy benchmarks.

*Indian Tribe* means a Federally recognized tribe as defined under section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b) to include " \* \* any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act [43 U.S.C. 1601 et seq.], that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians."

*Person* means any natural person, firm, corporation, association, or other legal entity, and includes Indian Tribes and tribal entities.

*Primary home energy source* means the energy source that is used for space heating or cooling, water heating, cooking, and lighting. A household or community may have more than one primary home energy source.

*State* means any of the several States of the United States, and, where provided by law, any Territory of the United States or other area authorized to receive the services and programs of the Rural Utilities Service or the Rural Electrification Act of 1936, as amended.

*State rural development initiative* means a rural economic development program funded by or carried out in cooperation with a State agency.

*Target area* means the geographic area to be served by the grant.

*Target community* means the unit or units of local government in which the target area is located.

*Tribal entity* means a legal entity that is owned, controlled, sanctioned, or chartered by the recognized governing body of an Indian tribe.

### II. Award Information

The total amount of funds available for grants under this notice is \$19.5 million. The maximum amount of grant assistance that will be considered for funding in a grant application under this notice is \$5,000,000. The minimum amount of assistance for a grant application under this program is \$75,000. The number of grants awarded under this NOFA will depend on the

number of applications submitted, the amount of grant funds requested, and the quality and competitiveness of applications submitted.

The funding instrument available under this NOFA will be a grant agreement. Grants awarded under this notice must comply with all applicable USDA and Federal regulations concerning financial assistance, with the terms of this notice, and with the requirements of section 19 of the RE Act. Grants made under this NOFA will be administered under RUS program regulations at 7 CFR part 1709 and USDA financial assistance regulations at 7 CFR parts 3015, 3016, 3017, 3018, 3019, and 3052, as applicable. The award period will generally be for 36 months, however, longer periods may be approved depending on the project involved. Project proposals submitted in response to the NOFA published on January 23, 2004 (69 FR 3317) and that were accepted as complete and timely by RUS, but that were not selected for funding may request reconsideration of their proposals under this NOFA. Prior applicants may submit additional information for consideration as described later in this notice.

All timely submitted and complete applications will be reviewed for eligibility and rated according to the criteria described in this NOFA. Applications will be ranked in order of their numerical scores on the rating criteria and forwarded to the RUS Administrator. The Administrator will review the rankings and the recommendations of the rating panel. The RUS Administrator will then fund grant applications in rank order.

RUS reserves the right not to award any or all the funds made available under this notice, if in the sole opinion of the Administrator, the grant proposals submitted are not deemed feasible. RUS also reserves the right to partially fund grants if grant applications exceed the available funds. RUS will advise applicants if it cannot fully fund a grant request.

### III. Eligibility Information

#### 1. Eligible Applicants

Under Section 19 eligible applicants include "Persons, States, political subdivisions of States, and other entities organized under the laws of States" (7 U.S.C. 918a). Under section 13 of the RE Act, the term "Person" means "any natural person, firm, corporation, or association" (7 U.S.C. 913). Examples of eligible business applicants include: for-profit and non-profit business entities, including but not limited to corporations, associations, partnerships,

limited liability partnerships (LLPs), cooperatives, trusts, and sole proprietorships. Eligible government applicants include State and local governments, counties, cities, towns, boroughs, or other agencies or units of State or local governments; and other agencies and instrumentalities of States and local governments. Indian tribes, other tribal entities and Alaska Native Corporations are also eligible applicants.

An individual is an eligible applicant under this program; however, the proposed grant project must provide community benefits and not be for the sole benefit of an individual applicant or an individual household or business. All applicants must demonstrate the legal capacity to enter into a binding grant agreement with the Federal Government at the time of the award and to carry out the proposed grant funded project according to its terms.

Effective October 1, 2003, the Office of Management and Budget requires that all applicants for Federal grants with the exception of individuals other than sole proprietorships must have a Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS) number. Consistent with this Federal policy directive, any organization that applies for an RUS high energy cost grant must use their DUNS number on the application and in field provided on the revised Standard Form 424 (SF 424), "Application for Federal Assistance." DUNS numbers are available without charge to Federal Grant applicants. Information on this new Federal requirement and how to obtain a DUNS number or how to verify if your organization already has a DUNS number is available at [http://www.whitehouse.gov/omb/grants/duns\\_num\\_guide.pdf](http://www.whitehouse.gov/omb/grants/duns_num_guide.pdf).

If you already have obtained a DUNS number in connection with the Federal acquisition process or requested or had one assigned to you for another purpose, you should use that number on all of your applications. It is not necessary to request another DUNS number from D&B.

If you know you do not have a DUNS number or if you are not sure if you have a DUNS number, you should call D&B using the toll-free number, 1-866-705-5711 between the hours of 8 a.m. to 6 p.m. (local time of the caller when calling from within the continental United States) and indicate that you are a Federal grant applicant or prospective applicant. D&B will tell you if you already have a number. If you do not have a DUNS number, D&B will ask you to provide the information listed below and will immediately assign you a

number, free of charge. The process to request a number over the telephone takes about 5-10 minutes. D&B will immediately assign you a number, free of charge at the conclusion of the call. You will need to provide the following information required to obtain a DUNS number:

- Legal name of your organization.
- Headquarters name and address for your organization.
- Doing business as (DBA) or other name by which your organization is commonly known or recognized.
- Physical address, city, State and zip code.
- Mailing address (if separate from headquarters and/or physical address).
- Telephone number.
- Contact name and title.
- Number of employees at your physical location.

You may also request a DUNS number over the internet from <http://www.dnb.com>. It may take up to 30 days to process your internet request. Therefore, RUS strongly encourages Federal grant applicants use the telephone application process.

#### 2. Cost Sharing and Matching

No cost sharing or matching funds are required as a condition of eligibility under this grant program. However, RUS will consider other financial resources available to the grantee and any voluntary pledge of matching funds or other contributions in assessing the grantee's commitment capacity to carry out the grant program successfully and will award additional evaluation points to proposals that include such contributions. If a successful applicant proposes to use matching funds in its project to obtain additional evaluation points, the grant agreement will include conditions requiring documentation of the availability of the matching funds and actual expenditure of matching funds.

#### 3. Other Eligibility Requirements

##### A. Eligible Projects

Grantees must use grant funds for eligible grant purposes. Grant funds may be used to acquire, construct, extend, upgrade, or otherwise improve energy generation, transmission, or distribution facilities serving eligible communities. All energy generation, transmission, and distribution facilities and equipment, used to provide electricity, natural gas, home heating fuels, and other energy service to eligible communities are eligible. Projects providing or improving energy services to eligible communities through on-grid and off-grid renewable energy projects, energy efficiency, and

energy conservation projects are eligible. A grant project is eligible if it improves, or maintains energy services, or reduces the costs of providing energy services to eligible communities.

Grants may cover up to the full costs of any eligible projects subject to the statutory condition that no more than 4 percent of grant funds may be used for the planning and administrative expenses of the grantee. The program regulations at 7 CFR part 1709 provide more detail on allowable uses of grant funds, limitations on grant funds, and ineligible grant purposes.

The project must serve communities that meet the extremely high energy cost eligibility requirements described in this NOFA. The grantee must demonstrate that the proposed project will benefit the eligible communities. Additional information and examples of eligible project activities are contained in the Application Guide.

Grant funds cannot be used for: preparation of the grant application, fuel purchases, routine maintenance or other operating costs, and purchase of equipment, structures, or real estate not directly associated with provision of residential energy services. In general, grant funds may not be used to support projects that primarily benefit areas outside of eligible target communities. However, grant funds may be used to finance an eligible target community's proportionate share of a larger energy project.

Each grant applicant must demonstrate the economic and technical feasibility of its proposed project. Activities or equipment that would commonly be considered as research and development activities, or commercial demonstration projects for new energy technologies will not be considered as technologically feasible projects and would, thus, be ineligible grant purposes. However, grant funds may be used for projects that involve the innovative use or adaptation of energy-related technologies that have been commercially proven.

**B. Eligible Communities**

The grant project must benefit communities with extremely high energy costs. The RE Act defines an extremely high energy cost community as one in which "the average residential expenditure for home energy is at least 275 percent of the national average residential expenditure for home energy" 7 U.S.C. 918a. The determination is based on the latest available information from the Energy Information Administration (EIA) residential energy surveys.

The statutory requirement that community residential expenditures for home energy exceed 275 percent of national average establishes a very high threshold for eligibility under this program. RUS has calculated high energy cost benchmarks based on the most recent EIA national average home

energy expenditure data. The benchmarks shown in Table 1 are changed from those used in prior rounds of High Energy Cost Grant applications. Communities must meet one or more high energy cost benchmarks to qualify as an eligible beneficiary of a grant under this program. All applicants, including those requesting reconsideration of prior applications must meet these revised eligibility benchmarks. Based on available published information on residential energy costs, RUS anticipates that only those communities with the highest energy costs across the country will qualify under this congressionally-mandated standard.

The EIA's Residential Energy Consumption and Expenditure Surveys (RECS) and reports provide the baseline national average household energy costs that were used by RUS for establishing extremely high energy cost community eligibility criteria for this grant program. The RECS data base and reports provide national and regional information on residential energy use, expenditures, and housing characteristics. EIA published its latest available RECS home energy expenditure survey results in 2004. These estimates of home energy usage and expenditures are based on national surveys conducted in 2001 survey data and are shown in Table 1 as follows:

**TABLE 1.—NATIONAL AVERAGE ANNUAL HOUSEHOLD ENERGY EXPENDITURES AND RUS EXTREMELY HIGH ENERGY COST ELIGIBILITY BENCHMARKS EFFECTIVE MARCH 23, 2005**

Fuel	National annual average household expenditure \$ per year	Extremely high energy cost benchmark \$ per year
<b>Average Annual Household Expenditure</b>		
Electricity .....	\$938	\$2,509
Natural Gas .....	702	1,859
Fuel Oil .....	737	1,882
LPG/Propane .....	605	1,514
Total Household Energy Use .....	1,493	4,013
Fuel (units)	National average unit cost \$ per unit	Extremely high energy cost benchmark \$ per unit
<b>Annual Average Per Unit Residential Energy Costs</b>		
Electricity (kilowatt hours) .....	\$0.088	\$0.239
Natural Gas (thousand cubic feet) .....	9.98	26.85
Fuel Oil (gallons) .....	1.24	3.35
LPG/Propane (gallons) .....	1.36	3.61

Fuel (units)	National average unit cost \$ per unit	Extremely high energy cost benchmark \$ per unit
Total Household Energy (million Btus) .....	16.19	43.91

Sources: United States Department of Energy, Energy Information Administration, *Residential Energy Consumption and Expenditure Surveys 2001*, available online at <http://www.eia.doe.gov/emeu/recs/contents.html>. The RUS benchmarks are set at 275 percent of the national average and include adjustments to reflect the uncertainties inherent in EIA's statistical methodology for estimating home energy costs. The benchmarks are set based on the EIA's lower range estimates using the specified EIA methods.

Extremely high energy costs in rural and remote communities typically result from a combination of factors. The most prevalent include high energy consumption, high per unit energy costs in local markets, limited availability of energy sources, extreme climate conditions, and housing characteristics. The relative impacts of these conditions exhibit regional and seasonal diversity. Market factors have created an additional complication in recent years as the prices of the major commercial residential energy sources—electricity, fuel oil, natural gas, and LPG/propane—have fluctuated dramatically in some areas.

The applicant must demonstrate that each community in the grant project's proposed target area exceeds one or more of these high energy cost benchmarks to be eligible for assistance under this program.

i. *RUS High Energy Cost Benchmarks.* The benchmarks measure extremely high energy costs for residential consumers. These benchmarks were calculated using EIA's estimates of national average residential energy expenditures per household and by primary home energy source. The benchmarks recognize the diverse factors that contribute to extremely high home energy costs in rural communities. The benchmarks allow several alternatives for demonstrating eligibility. Communities may qualify based on: Total annual household energy expenditures; total annual expenditures for commercially-supplied primary home energy sources, *i.e.*, electricity, natural gas, oil, or propane; or average annual per unit home energy costs. By providing alternative measures for demonstrating eligibility, the benchmarks reduce the burden on potential applicants created by the limited public availability of comprehensive data on local community energy consumption and expenditures.

A target community or target area will qualify as an extremely high cost energy community if it meets one or more of the energy cost eligibility benchmarks described below.

1. *Extremely High Average Annual Household Expenditure for Home Energy.* The target area or community exceeds one or more of the following:

- Average annual residential electricity expenditure of \$2,509 per household;
  - Average annual residential natural gas expenditure of \$1,859 per household;
  - Average annual residential expenditure on fuel oil of \$1,882 per household;
  - Average annual residential expenditure on propane or liquefied petroleum gas (LPG) as a primary home energy source of \$1,514 per household;
- or
- Average annual residential energy expenditure (for all non-transportation uses) of \$4,013 per household.

2. *Extremely High Average Per Unit Energy Costs.* The average residential per unit cost for major commercial energy sources in the target area or community exceeds one or more of the following:

- Annual average revenues per kilowatt hour for residential electricity customers of \$0.239 per kilowatt hour (kWh);
- Annual average residential natural gas price of \$26.85 per thousand cubic feet;
- Annual average residential fuel oil price of \$3.35 per gallon;
- Annual average residential price of propane or LPG as a primary home energy source of \$3.61 per gallon; or
- Total annual average residential energy cost on a Btu basis of \$43.91 per million Btu.<sup>1</sup>

ii. *Supporting Energy Cost Data.* The applicant must include information that demonstrates its eligibility under the RUS high energy cost benchmarks for the target communities and the target areas. The applicant must supply

<sup>1</sup> **Note:** Btu is the abbreviation for British Thermal Unit, a standard energy measure. A Btu is the quantity of heat needed to raise the temperature of one pound of water 1 degree Fahrenheit at or near 39.2 degrees Fahrenheit. In estimating average household per unit energy cost on a Btu basis, the costs of different home energy sources are converted to a standard Btu basis. The Application Guide contains additional information on calculating per unit costs on a Btu basis for major home energy sources.

documentation or references for its sources for actual or estimated home energy expenditures or equivalent measures to support eligibility. Generally, the applicant will be expected to use historical residential energy cost or expenditure information for the local energy provider serving the target community or target area to determine eligibility. Other potential sources of home energy related information include Federal and State agencies, local community energy providers such as electric and natural gas utilities and fuel dealers, and commercial publications. The Application Guide includes a list of EIA resources on residential energy consumption and costs that may be of assistance.

The grant applicant must establish eligibility for each community in the project's target area. To determine eligibility, the applicant must identify each community included in whole or in part within the target areas and provide supporting actual or estimated energy expenditure data for each community. The smallest area that may be designated as a target area is a 2000 Census block. This minimum size is necessary to enable a determination of population size.

Potential applicants can compare the RUS benchmark criteria to available information about local energy use and costs to determine their eligibility. Applicants should demonstrate their eligibility using historical energy use and cost information. Where such information is unavailable or does not adequately reflect the actual costs of supporting average home energy use in a local community, RUS will consider estimated commercial energy costs. The Application Guide includes examples of circumstances where estimated energy costs are used.

EIA does not collect or maintain data on home energy expenditures in sufficient detail to identify specific rural localities as extremely high energy cost communities. Therefore, grant applicants will have to provide information on local community energy costs from other sources to support their applications

In many instances, historical community energy cost information can be obtained from a variety of public sources or from local utilities and other energy providers. For example, EIA publishes monthly and annual reports of residential prices by State and by service area for electric utilities and larger natural gas distribution companies. Average residential fuel oil and propane prices are reported regionally and for major cities by government and private publications. Many State agencies also compile and publish information on residential energy costs to support State programs.

iii. *Use of Estimated Home Energy Costs.* Where historical community energy cost data are incomplete or lacking or where community-wide data do not accurately reflect the costs of providing home energy services in the target area, the applicant may substitute estimates based on engineering standards. The estimates should use available community, local, or regional data on energy expenditures, consumption, housing characteristics and population. Estimates are also appropriate where the target area does not presently have centralized commercial energy services at a level that is comparable to other residential customers in the State or region. For example, local commercial energy cost information may not be available where the target area is without local electric service because of the high costs of connection. Engineering cost estimates reflecting the incremental costs of extending service could reasonably be used to establish eligibility for areas without grid-connected electric service. Estimates also may be appropriate where historical energy costs do not reflect the costs of providing a necessary upgrade or replacement of energy infrastructure to maintain or extend service that would raise costs above one or more of benchmarks.

Information to support high energy cost eligibility is subject to independent review by RUS. Applications that contain information that is not reasonably based on credible sources of information and sound estimates will be rejected. Where appropriate, RUS may consult standard sources to confirm the reasonableness of information and estimates provided by applicants in determining eligibility, technical feasibility, and adequacy of proposed budget estimates.

#### C. Coordination With State Rural Development Initiatives

USDA encourages the coordination of grant projects under this program with State rural development initiatives.

There is no requirement that the grant proposal receive the concurrence or approval of State officials as a condition of eligibility under this program. RUS will, however, award additional points to proposals that are coordinated with and support rural development initiatives within a State. The applicant should describe how the proposed project will support State rural development initiatives and provide documentation evidencing any project relationship to State initiatives.

If an applicant is an entity directly involved in rural development efforts, such as a State, local, or tribal rural development agency, the applicant may qualify for additional points by describing how its proposed project supports its efforts.

#### D. Limitations on Grant Awards

1. *Statutory limitation on planning and administrative expenses.* Section 19 of the RE Act provides that no more than 4 percent of the grant funds for any project may be used for the planning and administrative expenses of the grantee.

2. *Ineligible Grant Purposes.* Grant funds cannot be used for: Preparation of the grant application, fuel purchases, routine maintenance or other operating costs, and purchase of equipment, structures, or real estate not directly associated with provision of residential energy services. In general, grant funds may not be used to support projects that primarily benefit areas outside of eligible target communities. However, grant funds may be used to finance an eligible target community's proportionate share of a larger energy project.

Consistent with USDA policy and program regulations, grant funds awarded under this program generally cannot be used to replace other USDA assistance or to refinance or repay outstanding RUS loans. Grant funds may, however, be used in combination with other USDA assistance programs including RUS loans. Grants may be applied toward grantee contributions under other USDA programs depending on the terms of those programs. For example, an applicant may propose to use grant funds to offset the costs of electric system improvements in extremely high cost areas by increasing the utility's contribution for line extensions or system expansions to its distribution system financed in whole or part by an RUS electric loan. An applicant may propose to finance a portion of an energy project for an extremely high energy cost community through this grant program and secure the remaining project costs through a

loan or loan guarantee or grant from RUS or other sources.

3. *Maximum and minimum awards.* The maximum amount of grant assistance that will be considered for funding per grant application under this notice is \$5,000,000. The minimum amount of assistance for a competitive grant application under this program is \$75,000.

#### IV. Application and Submission Information

All applications must be prepared and submitted in compliance with this NOFA and the Application Guide. The Application Guide contains additional information on the grant program and sources of information for use in preparing applications and copies of the required application forms or requested from RUS.

##### 1. Address To Request an Application Package

Applications materials and the Application Guide are available for download through <http://www.Grants.gov> (under CFDA No. 10.859) and on the RUS Web site at <http://www.usda.gov/rus/electric>.

Application packages, including required forms, may be also be requested from: Karen Larsen, Management Analyst, U.S. Department of Agriculture, Rural Utilities Service, Electric Program, 1400 Independence Avenue, SW., STOP 1560, Room 5165 South Building, Washington, DC 20250-1560. Telephone 202-720-9545, Fax 202-690-0717, e-mail [energy.grants@usda.gov](mailto:energy.grants@usda.gov).

##### 2. Content and Form of Application Submission

There are different application requirements for first time applicants and for prior applicants requesting reconsideration. First time applicants are those that did not submit a timely application in response to the January 23, 2004 (69 FR 3,317), NOFA. Prior applicants are those that: (1) Submitted timely and complete applications under the January 23, 2004, NOFA; (2) were not selected for a grant award; and (3) would like to request consideration of their proposal under this notice. First time applicants should follow the directions in this notice and the Application Guide in preparing their applications and narrative proposals. The completed application package should be assembled in the order specified with all pages numbered sequentially or by section. Prior applicants should follow the special instructions for reconsideration and submit a revised Standard Form 424

(SF-424), a letter requesting reconsideration, and any supplemental material by the deadline.

#### A. Application Contents for First Time Applicants

First time applicants must submit the following information for the application to be complete and considered for funding:

*Part A. A Completed SF 424, "Application for Federal Assistance."* This form must be signed by a person authorized to submit the proposal on behalf of the applicant. Note: SF 424 has recently been revised to include new required data elements, including a DUNS number. You must submit the revised form. Copies of this form are available in the application package available on line through RUS or through Grants.gov, through the Office of Management and Budget at [http://www.whitehouse.gov/omb/grants/grants\\_forms.html](http://www.whitehouse.gov/omb/grants/grants_forms.html), or by request from the Agency contact listed above.

*Part B. Grant Proposal.* The grant proposal is a narrative description prepared by the applicant that establishes the applicant's eligibility, identifies the eligible extremely high energy cost communities to be served by the grant, and describes the proposed grant project, the potential benefits of the project, and a proposed budget. The grant proposal should contain the following sections in the order indicated.

*1. Executive Summary.* The Executive Summary is a one to two page narrative summary that: (a) Identifies the applicant, project title, and the key contact person with telephone and fax numbers, mailing address and e-mail address; (b) specifies the amount of grant funds requested; (c) provides a brief description of the proposed project including the eligible rural communities and residents to be served, activities and facilities to be financed, and how the grant project will offset or reduce the target community's extremely high energy costs; and (d) identifies the associated state rural development initiative, if any, that the project supports. The Executive Summary should also indicate whether the applicant is claiming additional points under any of the criteria designated as USDA priorities under this NOFA.

*2. Table of Contents.* The application package must include a table of contents immediately after the Executive Summary with page numbers for all required sections, forms, and appendices.

*3. Applicant Eligibility.* This section includes a narrative statement that identifies the applicant and supporting

evidence establishing that the applicant has or will have the legal authority to enter into a financial assistance relationship with the Federal Government. Examples of supporting evidence of applicant's legal existence and eligibility include: a reference to or copy of the relevant statute, regulation, executive order, or legal opinion authorizing a State, local, or tribal government program, articles of incorporation or certificates of incorporation for corporate applicants, partnership or trust agreements, board resolutions. Applicants must also be free of any debarment or other restriction on their ability to contract with the Federal Government.

*4. Community Eligibility.* This section provides a narrative description of the community or communities to be served by the grant and supporting information to establish eligibility. The narrative must show that the proposed grant project's target area or areas are located in one or more communities where the average residential energy costs exceed one or more of the benchmark criteria for extremely high energy costs as described in this NOFA. The narrative should clearly identify the location and population of the areas to be aided by the grant project and their energy costs and the population of the local government division in which they are located. Local energy providers and sources of high energy cost data and estimates should be clearly identified. Neither the applicant nor the project must be physically located in the extremely high energy cost community, but the funded project must serve an eligible community.

The population estimates should be based on the results of the 2000 Census available from the U.S. Census Bureau. Additional information and exhibits supporting eligibility may include maps, summary tables, and references to statistical information from the U.S. Census, the Energy Information Administration, other Federal and State agencies, or private sources. The Application Guide includes additional information and sources that the applicant may find useful in establishing community eligibility.

*5. Coordination with State Rural Development Initiatives.* In this section the applicant must describe how the proposed grant is coordinated with and supports any rural development efforts. The applicant should provide supporting references or documentation of any relationship or contribution to State rural development initiatives.

*6. Project Overview.* This section includes the applicant's narrative

overview of its proposed project. The narrative must address the following:

*a. Project Design:* This section must provide a narrative description of the project including a proposed scope of work identifying major tasks and proposed schedules for task completion, a detailed description of the equipment, facilities and associated activities to be financed with grant funds, the location of the eligible extremely high energy cost communities to be served, and an estimate of the overall duration of the project. The Project Design description should be sufficiently detailed to support a finding of technical feasibility. Proposed projects involving construction, repair, replacement, or improvement of electric generation, transmission, and distribution facilities must generally be consistent with the standards and requirements for projects financed with RUS loans and loan guarantees as set forth in RUS Electric Program Regulations and Bulletins and may reference these requirements.

*b. Project Management:* This section must provide a narrative describing the applicant's capabilities and project management plans. The description should address the applicant's organizational structure, method of funding, legal authority, key personnel, project management experience, staff resources, the goals and objectives of the program or business, and any related services provided to the project beneficiaries. A current financial statement and other supporting documentation may be referenced here and included under the Supplementary Material section. If the applicant proposes to use affiliated entities, contractors, or subcontractors to provide services funded under the grant, the applicant must describe the identities, relationship, qualifications, and experience of these affiliated entities. The experience and capabilities of these entities will be reviewed by the rating panel. If the applicant proposes to secure equipment, design, construction, or other services from non-affiliated entities, the applicant must briefly describe how it plans to procure and/or contract for such equipment or services. The applicant should provide information that will support a finding that the combination of management team's experience, resources and project structure will enable successful completion of the project.

*c. Regulatory and other approvals:* The applicant must identify any other regulatory or other approvals required by other Federal, State, local, or tribal agencies, or by private entities as a condition of financing that are necessary to carry out the proposed grant project

and its estimated schedule for obtaining the necessary approvals.

d. *Benefits of the proposed project.* The applicant should describe how the proposed project would benefit the target area and eligible communities. The description must specifically address how the project will improve energy generation, transmission, or distribution facilities serving the target area. The applicant should clearly identify how the project addresses the energy needs of the community and include appropriate measures of project success such as, for example, expected reductions in household or community energy costs, avoided cost increases, enhanced reliability, or economic or social benefits from improvements in energy services available to the target community. The applicant should include quantitative estimates of cost or energy savings and other benefits. The applicant should provide documentation or references to support its statements about cost-effectiveness savings and improved services. The applicant should also describe how it plans to measure and monitor the effectiveness of the program in delivering its projected benefits.

7. *Proposed Project Budget.* The applicant must submit a proposed budget for the grant program on SF 424A, "Budget Information—Non-Construction Programs" or SF-424C, "Standard Form for Budget Information—Construction Programs," as applicable. All applicants that submit applications through Grants.gov must use SF-424A. The grantee should supplement the budget summary form with more detailed budget information on component costs and the basis for cost estimates. The budget must document that planned administrative and other expenses of the project sponsor will not total more than 4 percent of grant funds. The applicant must also identify the source and amount of any other contributions of funds or services that will be used to support the proposed project. This program does not require supplemental or matching funds for eligibility; however, RUS will award additional rating points for programs that include a match of other funds or like-kind contributions to support the project.

8. *Supplementary Material.* The applicant may append any additional information relevant to the proposal or which may qualify the application for extra points under the evaluation criteria described in this NOFA.

*Part C. Additional Required Forms and Certifications.* In order to establish compliance with other Federal requirements for financial assistance,

the applicant must execute and submit with the initial application the following forms and certifications:

- SF 424B, "Assurances—Non-Construction Programs" or SF 424D, "Assurances—Construction Programs" (as applicable). All applicants applying through Grants.gov must use form SF 424B.
- SF LLL, "Disclosure of Lobbying Activities."
- "Certification Regarding Debarment, Suspension and Other Responsibility Matter—Primary Covered Transactions" as required under 7 CFR part 3017, Appendix A. Certifications for individuals, corporations, nonprofit entities, Indian tribes, partnerships.
- Environmental Profile. The environmental profile template included in the Application Guide solicits information about project characteristics and site-specific conditions that may involve environmental, historic preservation, and other resources. The profile will be used by RUS to identify selected projects that may require additional environmental reviews, assessments, or environmental impact statements before a final grant award may be approved. A copy of the environmental profile and instructions for completion are included in the Application Guide and may be downloaded from the RUS Web site or Grants.gov.

#### B. Special Requirements for Applicants Requesting Reconsideration of an Application Submitted in 2004

Applicants that wish to request reconsideration of their application packages submitted in March 2004 in response to the NOFA published on January 23, 2004 in this round of competitive funding must submit an updated original SF 424, including new mandatory data elements (DUNS number, fax number, and e-mail address) along with a brief signed letter request for reconsideration identifying any additional information that they wish to be considered by the rating panel in reviewing their application along with supporting documentation. Applicants must confirm that their community continues to meet the eligibility benchmarks in Table 1 and may submit additional information to support their continued eligibility. The required application package will consist of the original signed SF 424, the request for reconsideration, and any additional supporting documents, plus the original application package submitted to RUS in March 2004. RUS has maintained prior application materials on file and will add the newly submitted material to the existing

application package for review by the rating panel. You do not need to send a copy of the 2004 application package. Because this abbreviated application package differs from the general application package for first time applicants available through Grants.gov, applicants requesting reconsideration should submit their requests directly to RUS by the application deadline and not through Grants.gov. Prior applicants have the option of submitting an entirely new complete application package for their project. If you submitted an application in 2003, but did not submit a request for reconsideration in 2004, you must submit a complete new application package meeting current eligibility and content requirements.

#### 3. Additional Information Requests

In addition to the information required to be submitted in the application package, RUS may request that successful grant applicants provide additional information, analyses, forms and certifications as a condition of pre-award clearance, including any environmental reviews or other reviews or certifications required under USDA and Government-wide assistance regulations. RUS will advise the applicant in writing of any additional information required.

#### 4. Submitting the Application

Applicants that are submitting paper application packages directly to RUS must submit one original application package that includes original signatures on all required forms and certifications and two copies. Applications should be submitted on 8½ by 11 inch white paper. Supplemental materials, such as maps, charts, plans, and photographs may exceed this size requirement.

A completed paper application package must contain all required parts in the order indicated in the above section on "Content and Form of Application Submission." The application package should be paginated either sequentially or by section.

Applicants that are submitting application packages electronically through the federal grants portal Grants.gov (<http://www.Grants.gov>) must follow the application requirements and procedures and use the forms provided there. Grants.gov contains full instructions on all required registration, passwords, credentialing and software required to submit applications electronically, including the following two requirements.



(i) Central Contractor Registry. Before you can submit an application through Grants.gov you must list your organization in the Central Contractor Registry (CCR). Setting up a CCR listing (a one-time procedure with annual updates) takes up to five business days. RUS strongly recommends that you obtain your organization's CCR listing well in advance of the deadline specified in this notice.

(ii) Credentialing and e-authentication of applicants. Grants.gov will also require some one-time credentialing and online authentication procedures for new registrants. These procedures may take several business days to complete. Because of the potential for delay, it is important to act early to complete the sign-up, credentialing and authorization procedures at Grants.gov before you are ready to submit your application through Grants.gov.

RUS encourages applicants who wish to apply through Grants.gov to submit their applications in advance of the deadlines. Early submittal will give you time to resolve any system problems or technical difficulties with an electronic application through customer support resources available at the Grants.gov Web site while preserving the option of submitting a timely paper application if any difficulties can not be resolved.

#### 5. Disclosure of Information

All material submitted by the applicant may be made available to the public in accordance with the Freedom of Information Act (5 U.S.C. 552) and USDA's implementing regulations at 7 CFR part 1.

#### 6. Submission Dates and Times

Applications must be postmarked or delivered to RUS or to Grants.gov by July 25, 2005. RUS will begin accepting applications on the date of publication of this NOFA. RUS will accept for review all applications postmarked or delivered to RUS by this deadline. Late applications will not be considered and will be returned to the applicant.

For the purposes of determining the timeliness of an application RUS will accept the following as valid postmarks: The date stamped by the United States Postal Service on the outside of the package containing the application delivered by U.S. Mail; the date the package was received by a commercial delivery service as evidenced by the delivery label; the date received via hand delivery to RUS; and the date an electronic application was posted for submission to Grants.gov.

#### 7. Intergovernmental Review

This program is not subject to the requirements of Executive Order 12372, "Intergovernmental Review of Federal Programs," as implemented under USDA's regulations at 7 CFR part 3015.

#### 8. Funding Restrictions

Section 19 of the RE Act provides that no more than 4 percent of the grant funds may be used for the planning and administrative expenses of the grantee.

#### 9. Other Submission Requirements

Applicants that are submitting hard or paper copies of their application package directly to RUS must submit one original application package that includes original signatures on all required forms and certifications and two copies. Applications should be submitted on 8 1/2 by 11 inch white paper. Supplemental materials, such as maps, charts, plans, and photographs may exceed this size requirement.

A completed application for first time applicants must contain all required parts in the order indicated in the above section on "Content and Form of Application Submission." The application package should be paginated either sequentially or by section. Applicants seeking reconsideration should follow the special instructions above.

The completed paper application package and two copies must be delivered to RUS headquarters in Washington, DC using United States Mail, overnight delivery service, or by hand to the following address: Rural Utilities Service, U.S. Department of Agriculture, 1400 Independence Avenue, SW., STOP 1560, Room 5165 South Building, Washington, DC 20250-1560. Applications should be marked "Attention: High Energy Cost Community Grant Program."

Applicants are advised that regular mail deliveries to Federal Agencies, especially of oversized packages and envelopes, continue to be delayed because of increased security screening requirements. Applicants may wish to consider using Express Mail or a commercial overnight delivery service instead of regular mail. Applicants wishing to hand deliver or use courier services for delivery should contact the Agency representative in advance to arrange for building access. RUS advises applicants that because of intensified security procedures at government facilities that any electronic media included in an application package may be damaged during security screening. If an applicant wishes to submit such materials, they should contact the

agency representative for additional information.

RUS will not accept applications electronically over the Internet, by e-mail, or fax. RUS will accept electronic applications through the Federal Web portal at <http://www.Grants.gov>. Applicants wishing to submit electronic applications through Grants.gov must follow the application procedures and submission requirements detailed on that Web site at <http://www.Grants.gov>. RUS will accept electronic applications through Grants.gov only. Applicants that file through Grants.gov will receive electronic confirmation that their applications have been received from Grants.gov. RUS will send an independent confirmation that the application has been transmitted to RUS after the grant application deadline.

Applicants should be aware that Grants.gov requires that applicants complete several preliminary registrations and e-authentication requirements before being allowed to submit applications electronically. Applicants should consult the Grants.gov Web site and allow ample time to complete the steps required for registration before submitting their applications. Applicants may download application materials and complete forms online through Grants.gov without completing the registration requirements. Application materials prepared online may be printed and submitted in paper to RUS as detailed above.

#### 10. Multiple Applications

Eligible applicants may submit only one application per project. Multiple tasks and localities may be included in a single proposed grant project. No more than \$5 million in grant funds will be awarded per project. Applicants may, however, submit applications for more than one project.

#### V. Application Review Information

All applications for grants must be delivered to RUS at the address listed above or postmarked no later than July 25, 2005, to be eligible for grant funding. After the deadline has passed, RUS will review each application to determine whether it is complete and meets all of the eligibility requirements described in this NOFA.

After the application closing date, RUS will not consider any unsolicited information from the applicant. RUS may contact the applicant for additional information or to clarify statements in the application required to establish applicant or community eligibility and completeness. Only applications that are complete and meet the eligibility

criteria will be considered. RUS will not accept or solicit any additional information relating to the technical merits and/or economic feasibility of the grant proposal after the application closing date.

If RUS determines that an application package was not delivered to RUS, or postmarked on or before the deadline of July 25, 2005, the application will be rejected as untimely and returned to the applicant.

After review, RUS will reject any application package that it determines is incomplete or that does not demonstrate that the applicant, community or project is eligible under the requirements of this NOFA and program regulations. The Assistant Administrator, Electric Program will notify the applicant of the rejection in writing and provide a brief explanation of the reasons for rejection.

Applicants may appeal the rejection pursuant to program regulations on appeals at 7 CFR 1709.6. The appeal must be made, in writing to the Administrator, within 10 days after the applicant is notified of the determination to reject the application. The appeal must state the basis for the appeal. Appeals must be submitted to the Administrator, Rural Utilities Service, U.S. Department of Agriculture, 1400 Independence Ave., SW., STOP 1500, Washington, DC 20250-1500. The Administrator will review the appeal to determine whether to sustain, reverse, or modify the original determination by the Assistant Administrator. The Administrator's decision shall be final. A written copy of the Administrator's decision will be furnished promptly to the applicant.

RUS may establish one or more rating panels to review and rate the eligible grant applications. These panels may include persons not currently employed by USDA.

The panel will evaluate and rate all complete applications that meet the eligibility requirements using the selection criteria and weights described in this NOFA. As part of the proposal review and ranking process, panel members may make comments and recommendations for appropriate conditions on grant awards to promote successful performance of the grant or to assure compliance with other Federal requirements. The decision to include panel recommendations on grant conditions in any grant award will be at the sole discretion of the Administrator.

All applications will be scored and ranked according to the evaluation criteria and weightings described in this Notice. The evaluation criteria and weights in this NOFA differ from those used in prior NOFAS. For this reason,

the ratings panel will review and revise scores of any prior applications that are being reconsidered according to the new criteria. The rating panel may revise the score upward based on any updated information submitted by the applicant.

RUS will use the ratings and recommendations of the panel to rank applicants against other applicants. All applicants will be ranked according to their scores in this round. The rankings and recommendations will then be forwarded to the Administrator for final review and selection.

Decisions on grant awards will be made by the RUS Administrator based on the application, and the rankings and recommendations of the rating panel. The Administrator will fund grant requests in rank order to the extent of available funds.

#### 1. Criteria

RUS will use the selection criteria described in this NOFA to evaluate and rate applications and will award points up to the maximum number indicated under each criterion. Applicants should carefully read the information on the rating criteria in this NOFA and the Application Guide and address all criteria. The maximum number of points that can be awarded is 100 points. RUS will award up to 65 points for project design and technical merit criteria and up to 35 points based on priority criteria for project or community characteristics that support USDA Rural Development and RUS program priorities.

##### A. Project Design and Technical Merit Criteria

Reviewers will consider the soundness of applicant's approach, the technical feasibility of the project, the adequacy of financial and other resources, the competence and experience of the applicant and its team, the project goals and objectives, and community needs and benefits. A total of 65 points may be awarded under these criteria.

*1. Comprehensiveness and feasibility of approach. (Up to 30 points)* Raters will assess the technical and economic feasibility of the project and how well its goals and objectives address the challenges of the extremely high energy cost community. The panel will review the proposed design, construction, equipment, and materials for the community energy facilities in establishing technical feasibility. Reviewers may propose additional conditions on the grant award to assure that the project is technically sound. Reviewers will consider the adequacy of the applicant's budget and resources to

carry out the project as proposed. Reviewers will also evaluate how the applicant proposes to manage available resources such as grant funds, income generated from the facilities, and any other financing sources to maintain and operate a financially viable project once the grant period has ended.

*2. Demonstrated experience. (Up to 10 points)* Reviewers will consider whether the applicant and its project team have demonstrated experience in successfully administering and carrying out projects that are comparable to that proposed in the grant application. RUS supports and encourages emerging organizations that desire to develop the internal capacity to improve energy services in rural communities. In evaluating the capabilities of entities without extensive experience in carrying out such projects, RUS will consider the experience of the project team and the effectiveness of the program design in compensating for lack of extensive experience.

*3. Community Needs. (Up to 15 points)* Reviewers will consider the applicant's identification and documentation of eligible communities, their populations, and the applicant's assessment of community energy needs to be addressed by the grant project. Information on the severity of physical and economic challenges affecting eligible communities will be considered. Reviewers will weigh: (1) The applicant's analysis of community energy challenges and (2) why the applicant's proposal presents a greater need for Federal assistance than other competing applications. In assessing the applicant's demonstration of community needs, the rating panel will consider information in the narrative proposal addressing:

(a) The burden placed on the community and individual households by extremely high energy costs as evidenced by such quantitative measures as, for example, total energy expenditures, per unit energy costs, energy cost intensity for occupied space, or energy costs as a share of average household income, and persistence of extremely high energy costs compared to national or statewide averages.

(b) The hardships created by limited access to reliable and affordable energy services; and

(c) The availability of other resources to support or supplement the proposed grant funding.

*4. Project Evaluation Methods. (Up to 5 points)* Reviewers will consider the applicant's plan to evaluate and report on the success and cost-effectiveness of financed activities and whether the results obtained will contribute to program improvements for the applicant

or for other entities interested in similar programs.

5. *Coordination with State Rural Development Initiatives.* (Up to 5 points) Raters will assess how effectively the proposed project is coordinated with State rural development initiatives, if any, and is consistent with and supports these efforts. RUS will consider the documentation for coordination efforts, community support, and State or local government recommendations. Applicants should identify the extent to which the project is dependent on or tied to other rural development initiatives, funding, and approvals. Applicants are advised that they should address this criterion explicitly even if only to report that the project is not coordinated with or supporting a State rural development initiative. Failure to address this criterion will result in zero points awarded.

#### B. Priority Criteria

In addition to the points awarded for project design and technical merit, all proposals will be reviewed and awarded additional points based on certain characteristics of the project or the target community. USDA Rural Development policies generally encourage agencies to give priority in their programs to rural areas of greatest need and to support other Federal policy initiatives. In furtherance of these policies, RUS will award additional points for the priorities identified in this notice. RUS has changed the priority criteria and point scores to be used in this NOFA to be consistent with the program regulations in 7 CFR part 1709. RUS will give priority consideration to smaller communities, areas suffering significant economic hardship, areas with inadequate community energy services, and areas where the condition of community energy facilities (or absence thereof) presents an imminent hazard to public health or safety. Priority points will also be awarded for proposals that include cost sharing. A maximum of 35 total points may be awarded under these priority criteria.

1. *Economic Hardship.* (Up to 15 points) The community experiences one or more economic hardship conditions that impair the ability of the community and/or its residents to provide basic energy services or to reduce or limit the costs of these services. Economic hardship will be assessed using either the objective measure of county median income under Option A below or subjectively under Option B based on the applicant's description of the community's economic hardships and supporting materials. Applicants may elect either measure, but not both.

*Option A. Economically Distressed Communities (up to 15 points).* The target community is an economically distressed county or Indian reservation where the median household income is significantly below the State average. Points will be awarded based on the county percentage of State median household income (or reservation percentage of State median household income in the case of Federally recognized Indian reservations) according to the following:

- (1) Less than 70 percent of the State median household income, 15 points;
- (2) 70 to 80 percent of the State median household income, 12 points;
- (3) 80 to 90 percent of the State median household income, 10 points;
- (4) 90 to 95 percent of the State median household income, 5 points; or
- (5) Over 95 percent of the State median household income, 0 points

Information on State and county median income is available online from the USDA Economic Research Service at <http://www.ers.usda.gov/data/unemployment/>. Information on Indian reservations is available through the U.S. Census at <http://www.census.gov>.

*Option B. Other Economic Hardship.* (up to 15 points) The community suffers from other conditions creating a severe economic hardship that is adequately described and documented by the applicant. Examples include but are not limited to natural disasters, financially distressed local industry, and loss of major local employer, persistent poverty, outmigration, or other conditions adversely affecting the local economy, or contributing to unserved or underserved energy infrastructure needs that affect the economic health of the community. The rating panel may assign points under this criterion, in lieu of awarding points based on the percentage of median household income.

2. *Rurality.* (Up to 14 points) Consistent with the USDA Rural Development policy to target resources to rural communities with significant needs and recognizing that smaller communities are often comparatively disadvantaged in seeking assistance, RUS reviewers will award additional points based on the rurality (as measured by population) of the target communities to be served with grant funds. Applications will be scored based on the population of the largest incorporated cities, towns, or villages, or census designated places included within the grant's proposed target area.

Points will be awarded on the population of the largest target community within the proposed target area as follows:

- (A) 2,500 or less, 14 points;
- (B) Between 2,501 and 5,000, inclusive, 12 points;
- (C) Between 5,001 and 10,000, inclusive, 8 points;
- (D) Between 10,001 and 15,000, inclusive, 5 points;
- (E) Between 15,001 and 20,000, inclusive, 2 points; and
- (F) Above 20,000, 0 points.

Applicants must use the latest available population figures from Census 2000 available at <http://www.census.gov/main/www/cen2000.html> for every incorporated city, town, or village, or Census designated place included in the target area.

3. *Unserved Energy Needs.* (2 points) Consistent with the purposes of the RE Act, projects that meet unserved or underserved energy needs will be eligible for 2 points. Examples of proposals that may qualify under this priority include projects that extend or improve electric or other energy services to communities and customers that do not have reliable centralized or commercial service or where many homes remain without such service because the costs are unaffordable.

4. *Imminent hazard.* (2 points) If the grant proposal involves a project to correct a condition posing an imminent hazard to public safety, welfare, the environment, or to a critical community or residential energy facility, raters may award 2 points. Examples include community energy facilities in immediate danger of failure because of deteriorated condition, capacity limitations, damage from natural disasters or accidents, or other conditions where impending failure of existing facilities or absence of energy facilities creates a substantial threat to public health or safety, or to the environment.

5. *Cost Sharing.* (2 points) This grant program does not require any cost contribution. In addition to their assessment of the economic feasibility and sustainability of the project under the project evaluation factors above, raters may award 2 points for cost sharing. These points will be awarded when the proposal documents supplemental contributions of funds, property, equipment, services, or other in kind contributions for the project evidencing the applicant's and/or community's commitment to the project exceed 10 percent of project costs. The applicant must specifically request additional points for cost sharing.

## 2. Review and Selection Process

### A. Scoring and Ranking of Applications

Following the evaluation and rating of individual applications under the above criteria, the rating panel will rank the applications in numerical order according to their total scores. The scored and ranked applications and the raters' comments will then be forwarded to the Administrator for review and selection of grant awards.

### B. Selection of Grant Awards and Notification of Applicants

The RUS Administrator will review the rankings and recommendations of the applications provided by the rating panel for consistency with the requirements of this NOFA. The Administrator may return any application to the rating panel with written instruction for reconsideration if, in his sole discretion, he finds that the scoring of an application is inconsistent with this NOFA and the directions provided to the rating panel.

Following any adjustments to the project rankings as a result of reconsideration, the Administrator will select projects for funding in rank order. If funds remain after funding the highest ranking application, RUS may fund all or part of the next highest ranking application. RUS will advise an applicant if it cannot fully fund a grant request and ask whether the applicant will accept a reduced award.

The Administrator may decide based on the recommendations of the rating panel or in his sole discretion that a grant award may be made fully or partially contingent upon the applicant satisfying certain conditions or providing additional information and analyses. For example, RUS may defer approving a final award to a selected project—such as projects requiring more extensive environmental review and mitigation, preparation of detailed site specific engineering studies and designs, or requiring local permitting, or availability of supplemental financing—until any additional conditions are satisfied. In the event that a selected applicant fails to comply with the additional conditions within the time set by RUS, the selection will be vacated and the next ranking project will be considered.

If a selected applicant turns down a grant award offer, or fails to conclude a grant agreement acceptable to RUS, or to provide required information requested by RUS within the time period established in the notification of selection for grant award, the RUS Administrator may select for funding the next highest ranking application

submitted in response to this NOFA. If funds remain after all selections have been made, remaining funds will be carried over and made available in future awards under the High Energy Cost Grant Programs.

RUS will notify each applicant in writing whether or not it has been selected for an award. RUS's written notice to a successful applicant of the amount of the grant award based on the approved application will constitute RUS's preliminary approval, subject to compliance with all post-selection requirements including but not limited to completion of any environmental reviews and negotiation and execution of a grant agreement satisfactory to RUS. Preliminary approval does not bind the Government to making a final grant award. Only a final grant award and agreement executed by the Administrator will constitute a binding obligation and commitment of Federal funds. Funds will not be awarded or disbursed until all requirements have been satisfied. RUS will advise selected applicants of additional requirements or conditions.

### C. Adjustments to Funding

RUS reserves the right to fund less than the full amount requested in a grant application to ensure the fair distribution of the funds and to ensure that the purposes of a specific program are met. RUS will not fund any portion of a grant request that is not eligible for funding under Federal statutory or regulatory requirements; that does not meet the requirements of this NOFA, or that may duplicate other RUS funded activities, including electric loans. Only the eligible portions of a successful grant application will be funded.

Grant assistance cannot exceed the lower of:

- (a) The qualifying percentage of eligible project costs requested by the applicant; or
- (b) The minimum amount sufficient to provide for the economic feasibility of the project as determined by RUS.

## VI. Award Administration Information

### 1. Award Notices

RUS will notify all applicants in writing whether they have been selected for an award. Successful applicants will be advised in writing of their selection as award finalists. Successful applicants will be required to negotiate a grant agreement acceptable to RUS and complete additional grant forms and certifications required by USDA as part of the pre-award process.

Depending on the nature of the activities proposed by the application,

the grantee may be asked to provide information and certifications necessary for compliance with RUS environmental policy regulations and procedures at 7 CFR part 1794. Following completion of the environmental review, selected applicants will receive a letter of conditions establishing any project-specific conditions to be included in the grant agreement and asked to execute a letter of intent to meet the grant conditions or to detail why such conditions can't be met and to propose alternatives. Grant funds will not be advanced unless and until the applicant has executed a grant agreement acceptable to RUS.

RUS will require each successful applicant to agree to the specific terms of each grant agreement, a project budget, and other RUS requirements. In cases where RUS cannot successfully conclude negotiations with a selected applicant or a selected applicant fails to provide RUS with requested information within the time specified, an award will not be made to that applicant. The selection will be revoked and RUS may offer an award to the next highest ranking applicant, and proceed with negotiations with the next highest ranking applicant.

## 2. Administrative and National Policy Requirements

### A. Environmental Review and Restriction on Certain Activities

Grant awards are required to comply with 7 CFR part 1794, which sets forth RUS regulations implementing the National Environmental Policy Act (NEPA). Grantees must also agree to comply with any other Federal or State environmental laws and regulations applicable to the grant project.

If the proposed grant project involves physical development activities or property acquisition, the applicant is generally prohibited from acquiring, rehabilitating, converting, leasing, repairing or constructing property or facilities, or committing or expending RUS or non-RUS funds for proposed grant activities until RUS has completed any environmental review in accordance with 7 CFR part 1794 or determined that no environmental review is required. Successful applicants will be advised whether additional environmental review and requirements apply to their proposals.

### B. Other Federal Requirements

Other Federal statutes and regulations apply to grant applications and to grant awards. These include, but are not limited to, requirements under 7 CFR part 15, subpart A—Nondiscrimination

in Federally Assisted Programs of the Department of Agriculture—Effectuation of Title VI of the Civil Rights Act of 1964.

Certain OMB circulars also apply to USDA grant programs and must be followed by a grantee under this program. The policies, guidance, and requirements of the following, or their successors, may apply to the award, acceptance and use of assistance under this program and to the remedies for noncompliance, except when inconsistent with the provisions of the Agriculture, Rural Development and Related Agencies Appropriations Acts, other Federal statutes or the provisions of this NOFA:

- OMB Circular No. A-87 (Cost Principles Applicable to Grants, Contracts and Other Agreements with State and Local Governments);
- OMB Circular A-21 (Cost Principles for Education Institutions);
- OMB Circular No. A-122 (Cost Principles for Nonprofit Organizations);
- OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations);
- 7 CFR part 3015 (Uniform Federal Assistance Regulations);
- 7 CFR part 3016 (Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally recognized Indian tribal governments);
- 7 CFR part 3017 (Governmentwide debarment and suspension (non-procurement) and governmentwide requirements for drug-free workplace (grants));
- 7 CFR part 3018 (New restrictions on Lobbying);
- 7 CFR part 3019 (Uniform administrative requirements for grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations); and
- 7 CFR part 3052 (Audits of States, local governments, and non-profit organizations).

Compliance with additional OMB Circulars or government-wide regulations may be specified in the grant agreement.

### 3. Reporting

The grantee will be required to provide periodic financial and performance reports under USDA grant regulations and RUS rules and to submit a final project performance report. The nature and frequency of required reports are established in USDA grant regulations and the project-specific grant agreements.

### VII. Agency Contact

The Agency Contact for this grant announcement is Karen Larsen,

Management Analyst, U.S. Department of Agriculture, Rural Utilities Service, Electric Program, 1400 Independence Avenue, SW., STOP 1560, Room 5165 South Building, Washington, DC 20250-1560. Telephone 202-720-9545, Fax 202-690-0717, e-mail [Karen.Larsen@usda.gov](mailto:Karen.Larsen@usda.gov).

Dated: May 18, 2005.

**Curtis M. Anderson,**

*Acting Administrator, Rural Utilities Service.*

[FR Doc. 05-10378 Filed 5-24-05; 8:45 am]

**BILLING CODE 3410-15-P**

## DEPARTMENT OF COMMERCE

### Foreign-Trade Zones Board

[Docket 22-2005]

#### **Foreign-Trade Zone 99 - Wilmington, Delaware, Expansion of Subzone and Manufacturing Authority Subzone 99D, AstraZeneca Pharmaceuticals LP (Pharmaceutical Products), Newark, Delaware**

An application has been submitted to the Foreign-Trade Zones Board (the Board) by the Delaware Economic Development Office, grantee of FTZ 99, requesting to expand the subzone and the scope of manufacturing authority under zone procedures within Subzone 99D, at the AstraZeneca Pharmaceuticals LP (AstraZeneca) facility in Newark, Delaware. It was formally filed on May 17, 2005.

Subzone 99D was approved by the Board in 1994 at AstraZeneca's plant (2 bldgs. on 156 acres/520,700 sq. ft.) located at 587 Old Baltimore Pike, Newark, Delaware, some 10 miles west of Wilmington. The facility (530 employees) is used to produce and/or distribute a wide range of pharmaceuticals, with specific authority granted for the manufacture of several products under zone procedures (Board Order 717, 12/02/94).

Subzone 99D is currently requesting to expand the subzone at the existing facility (Site 1) to include additions to existing buildings (totaling 114,100 sq. ft.) and to include another site (Site 2) for the manufacture of clinical trial products. AstraZeneca is also requesting to include in its scope of authority general categories of inputs and final products that it may produce under zone procedures in the future.

Proposed Site 2 (30 buildings, 3,226,805 sq. ft. (526,552 mfg. sq. ft.) on 163 acres, which includes a potential expansion of 7 buildings totaling 1,154, 298 sq. ft. (318,548 mfg. sq. ft.)) is located at 1800 Concord Pike, Wilmington, Delaware, some 20 miles

from Site 1. It will be used to produce finished dose pharmaceutical formulations of clinical trial products (HTSUS 3004.90, duty-free). Materials sourced from abroad represent 90 to 95 percent of all materials used in production proposed for zone procedures. Inverted tariff savings will initially result from the following bulk active ingredients, all subject to a 6.5% duty rate: AZD 0328 (HTSUS 2934.99.9000), AZD 5455 (HTSUS 2933.39.9100) and AZD 4522 (HTSUS 2935.00.6000). Finished dose products will be transferred to Site 1 for packaging and shipping.

The application also requests authority to include a broad range of inputs and pharmaceutical final products that it may produce under FTZ procedures in the future. (New major activity in these inputs/products could require review by the FTZ Board.) General HTSUS categories of inputs include: 1108, 1212, 1301, 1302, 1515, 1516, 1520, 1521, 1702, 1905, 2106, 2207, 2302, 2309, 2501, 2508, 2510, 2519, 2520, 2526, 2710, 2712, 2807, 2809, 2811, 2814, 2815, 2816, 2817, 2821, 2823, 2825, 2826, 2827, 2829, 2831, 2832, 2833, 2835, 2836, 2837, 2839, 2840, 2841, 2842, 2843, 2844, 2846, 2851, 2901, 2902, 2903, 2904 (except for HTS 2904.20.5000), 2905, 2906, 2907, 2908, 2909, 2910, 2911, 2912, 2913, 2914, 2915, 2916, 2917, 2918, 2919, 2920, 2921, 2922, 2923, 2924, 2925, 2926, 2927, 2928, 2929, 2930, 2931, 2932, 2933, 2934, 2935, 2936, 2937, 2938, 2939, 2940, 2941, 2942, 3001, 3002, 3003, 3004, 3005, 3006, 3102, 3104, 3301, 3302, 3305, 3401, 3402, 3403, 3404, 3502, 3503, 3505, 3506, 3507, 3802, 3804, 3808, 3809, 3815, 3822, 3823, 3824, 3901, 3906, 3910, 3911, 3912, 3913, 3914, 3915, 3919, 3920, 3921, 3923, 4016, (4202.92.1000, 4202.92.9060, 4202.99.1000, 4202.99.5000 (plastic only)), 4817, 4819, 4901, 4902, 5403, 7010, 7607, 8004, 8104, 8309, 8481, 9018, and 9602. The duty rates on these products range from duty-free to 17%.

Final products that may be produced from the inputs listed above include these general HTSUS categories: 2302, 2309, 2902, 2903, 2904, 2905, 2906, 2907, 2909, 2910, 2912, 2913, 2914, 2915, 2916, 2917, 2918, 2920, 2921, 2922, 2923, 2924, 2925, 2926, 2928, 2930, 2931, 2932, 2933, 2934, 2935, 2936, 2937, 2938, 2939, 2941, 2942, 3001, 3002, 3003, 3004, 3006, 3802, 3804, 3808, 3809, 3824, 3910, 3911, 3912, 3913, and 3914. The duty rates on these products range from duty-free to 7.5%.

Zone procedures would exempt AstraZeneca from Customs duty